

IC 36-1-15

Chapter 15. Debt Limitation

IC 36-1-15-1

Application of chapter

Sec. 1. This chapter applies to:

- (1) a unit; and
- (2) any other political subdivision for which a statute imposes an assessed value limitation on the aggregate amount of bonds that the political subdivision may issue.

As added by P.L.6-1997, SEC.203.

IC 36-1-15-2

Legislative intent

Sec. 2. It is the intent of the general assembly that the amount of debt incurred by a political subdivision after February 28, 2001, not exceed, in the aggregate, the amount of debt that the political subdivision could have incurred under:

- (1) Article 13, Section 1 of the Constitution of the State of Indiana; and
- (2) any statute imposing an assessed value limitation on the aggregate amount of bonds that a political subdivision may issue;

if property were assessed at thirty-three and one-third percent (33.33%) of true tax value.

As added by P.L.6-1997, SEC.203.

IC 36-1-15-3

Computation of adjusted value of taxable property within political subdivision

Sec. 3. The department of local government finance shall compute, in conjunction with the approvals required under IC 6-1.1-18.5-8(b) and IC 6-1.1-19-8, an adjusted value of the taxable property within each political subdivision. The department of local government finance may request a certification of net assessed valuation from the county auditor in order to make a calculation under this section.

As added by P.L.6-1997, SEC.203. Amended by P.L.90-2002, SEC.466.

IC 36-1-15-4

Adjusted value

Sec. 4. The adjusted value of the taxable property in a political subdivision is equal to the result determined under STEP TWO of the following formula:

STEP ONE: Determine the value of the taxable property within the political subdivision for the last assessment for state and county taxes using one hundred percent (100%) of true tax value.

STEP TWO: Divide the STEP ONE amount by three (3).

As added by P.L.6-1997, SEC.203.

IC 36-1-15-5

Duties of department of local government finance

Sec. 5. The department of local government finance shall do the following:

- (1) Maintain a schedule of the adjusted value of taxable property of each political subdivision.
- (2) Provide the political subdivision and the county auditor for the county in which a political subdivision is located with the latest adjusted value of taxable property determined for the political subdivision.

As added by P.L.6-1997, SEC.203. Amended by P.L.90-2002, SEC.467.

IC 36-1-15-6

Restrictions on indebtedness

Sec. 6. Subject to section 7 of this chapter, a political subdivision may not become indebted in any manner or for any purpose in an amount in the aggregate that exceeds two percent (2%) of the latest adjusted value of taxable property determined for the political subdivision immediately preceding the incurring of the indebtedness. However, if a statute limits the debt of a political subdivision to a percentage other than two percent (2%) of the value of taxable property in the political subdivision, the political subdivision may not become indebted in an amount that exceeds the percentage set by statute multiplied by the latest adjusted value of taxable property determined for the political subdivision immediately preceding the incurring of the indebtedness.

As added by P.L.6-1997, SEC.203.

IC 36-1-15-7

Permitted excess of debt limitation

Sec. 7. A political subdivision may incur debt that exceeds the maximum amount allowed under section 6 of this chapter as necessary for the public protection and defense only:

- (1) in time of war, foreign invasion, or other great public calamity; and
- (2) upon petition of a majority of the property owners in number and value within the limits of the political subdivision.

The amount of the excess may not be greater than the amount specified in the petition.

As added by P.L.6-1997, SEC.203.

IC 36-1-15-8

Debt in excess of maximum amount void

Sec. 8. Debt in excess of the maximum amount specified in sections 6 and 7 of this chapter is void.

As added by P.L.6-1997, SEC.203.

IC 36-1-15-9**Liability for erroneous determination or computation**

Sec. 9. The department of local government finance is not liable for an erroneous determination or computation made by the department under this chapter.

As added by P.L.6-1997, SEC.203. Amended by P.L.90-2002, SEC.468.